

United States District Court

for the

Eastern District of WashingtonFILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON**Dec 16, 2024**

SEAN F. MCAVOY, CLERK

Petition for Warrant or Summons for Offender Under Supervision

Name of Offender: Gregory D. Jeffreys

Case Number: 0980 2:13CR00012-MKD-1

Address of Offender: [REDACTED] Spokane Valley, Washington 99037

Name of Sentencing Judicial Officer: The Honorable Rosanna Malouf Peterson, Senior U.S. District Judge

Name of Supervising Judicial Officer: The Honorable Mary K. Dimke, U.S. District Judge

Date of Original Sentence: June 5, 2014

Original Offense: Wire Fraud Affecting a Financial Institution, 18 U.S.C. § 1343; Bank Fraud, 18 U.S.C. § 1344; Wire Fraud, 18 U.S.C. § 1343; Conspiracy to Commit an Offense Against the United States, 18 U.S.C. §§ 371 and 401(3)

Original Sentence: Prison - 96 months
TSR - 60 months

Type of Supervision: Supervised Release

Asst. U.S. Attorney: Brian M. Donovan

Date Supervision Commenced: December 20, 2019

Defense Attorney: Gregory D. Rauch

Date Supervision Expires: December 19, 2024

PETITIONING THE COURT

To issue a summons.

On December 23, 2019, an officer with the U.S. Probation Office in Spokane, Washington, reviewed a copy of the conditions of supervision with Gregory D. Jeffreys, as outlined in the judgment and sentence. He signed the judgement acknowledging an understanding of the requirements.

The probation officer believes that the offender has violated the following condition(s) of supervision:

<u>Violation Number</u>	<u>Nature of Noncompliance</u>
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1

Standard Condition #6: The defendant shall notify the probation officer at least ten days prior to any change in residence or employment.

Supporting Evidence: On or about May 12, 2022, Gregory Jeffreys allegedly violated standard condition number 6 by failing to report that he was working for South Sands LLC, which is a change in the employment information previously provided to the U.S. Probation Office (USPO).

On July 18, 2024, this officer received information from a concerned citizen who stated that Mr. Gregory Jeffreys had purchased property in Spokane Valley, Washington, and had established a business in developing a residential housing complex. The citizen stated that he had photographed Mr. Jeffreys digging on the adjacent property, which was previously used as a landfill, the Chester Landfill. According to the information received, disturbing the earth of the former landfill could present safety issues for the community.

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This officer was totally unaware that the offender had purchased property, so he was later contacted and instructed to report to the probation office to meet with the undersigned.

On August 28, 2024, Mr. Jeffreys reported to the U.S. Probation Office (USPO) for his scheduled appointment. During that meeting, the undersigned did ask the offender's association with South Sands LLC, and he insisted that Gail Stiltner is the owner and operator of that company. Gail is the mother of Shannon Stiltner, who is Mr. Jeffreys' fiancée, codefendant, and the reported owner of Jeffreys LLC.

The individual under supervision insisted that South Sands LLC merely contracted him, through Jeffreys LLC, to "take down trees" in 2023. This officer subsequently requested documentation of his contract, and on November 5, 2024, Mr. Jeffreys provided the undersigned a service agreement dated May 12, 2022. That Shannon Stiltner and Gregory R. Rauch signed agreement, the trustee of South Sands LLC. It should be noted that Gregory R. Rauch represented the offender during an early termination hearing before the Honorable Judge Rosanna Malouf Peterson on March 26, 2021.

2 **Standard Condition #3:** The defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer.

Supporting Evidence: On or about August 28, 2024, Gregory Jeffreys allegedly violated standard condition number 3 by failing to be truthful with the assigned probation officer regarding his affiliation with South Sands LLC.

On November 1, 2024, this officer received the link to the public hearing held before the City of Spokane Valley's hearing examiner on July 11, 2024. According to that hearing, an application had been submitted to the City of Spokane Valley seeking to subdivide a 6.77 acre parcel into forty-one residential lots. Mr. Gregory Jeffreys was identified in that hearing as the owner/applicant, and he is also listed as the owner/applicant in the Notice of Public Hearing.

Approximately 33:21 into that hearing, the offender offers testimony to the hearing examiner. During his testimony, Mr. Jeffreys stated that he and his "soulmate," Shannon Stiltner, were looking to "finish their days in the valley," so they looked for property to purchase in the Spokane Valley neighborhood. The offender stated that "we found this property" and although they initially had difficulty determining who owned the property, he states that they were "able to accomplish that a couple of years ago."

Mr. Jeffreys is on record stating that after determining whom "the decisions makers were," he began to move forward with designing and building "our home and shop, our last home and shop." The offender continues by noting that "we own a tree removal company, we've been doing business for almost 50 years in Spokane removing trees." It should be noted that the offender has consistently insisted to both the Court and the USPO that he does not own Jeffreys LLC, and is merely an employee.

The information provided by the offender at the public hearing on July 11, 2024, is totally contradictory to the information he provided to the assigned probation officer, specifically that he was merely a contracted employee on this project.

3 **Special Condition #16:** You shall not incur any new debt, open additional lines of credit, or enter into any financial contracts, without the advance approval of the supervising officer.

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Supporting Evidence: On or about December 15, 2022, Gregory Jeffreys allegedly violated special condition number 16 by entering into a financial contract with ALLWEST to have an environmental site assessment conducted on a parcel of land he was seeking to purchase.

On December 5, 2024, this officer received notification from the Financial Litigation Unit (FLU), of the U.S. Attorney's Office, that a subpoena had been executed on South Sands LLC. According to the documentation received from FLU, on December 15, 2022, the supervisee authorized ALLWEST, in writing, to conduct an environmental assessment of parcel 45334.9055.

That environmental assessment was completed and reported to Mr. Jeffreys in a report dated March 1, 2023. In section 3.3 of that report, under Environmental Liens or Activity and Use Limitations, it states: "Environmental lien records recorded against the subject property were not provided by the client; however, according to Mr. Greg Jeffreys (prospective buyer of the subject property), environmental liens or activity use limitations do not exist on the subject property."

On that documentation, they identify Greg Jeffreys as the "prospective buyer" and "knowledgeable person about the property." Additionally, there was no mention of Gail or Shannon Stiltner.

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Special Condition #16: You shall not incur any new debt, open additional lines of credit, or enter into any financial contracts, without the advance approval of the supervising officer.

Supporting Evidence: On or about March 17, 2023, Gregory Jeffreys allegedly violated special condition number 16 by purchasing 6.76 acres of land without the advance approval of the supervising officer.

On or about March 17, 2023, Gregory Jeffreys was involved in the purchase of 6.76 acres of vacant land (parcel 45334.9055), although he did not request or receive authorization to do so.

During a public hearing, held before the City of Spokane Valley's hearing examiner on July 11, 2024, the offender states that he and his "soulmate" had purchased the property with the intent to build a home and shop. During his testimony at that hearing, Mr. Jeffreys stated that he had ascertained various permits and had begun to "bid the project out for our home"; in doing so, he was astonished by the projected cost to complete the project, which he described as "astronomical."

The offender continued his testimony by advising that in an attempt to curb the cost, he and his girlfriend "looked into the highest and best use of the land" and ultimately determined that "single family residential was the highest and best use; duplexes would've been problematic."

According to the individual under supervision, "previous to purchasing this site, the Castle Corporation let (him) go in and dig several test holes." He did although advise that they "will be selling the property to an ultimate developer," which suggests another financial contract had been or would need to be established.

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5 **Special Condition #16:** You shall not incur any new debt, open additional lines of credit, or enter into any financial contracts, without the advance approval of the supervising officer.

Supporting Evidence: On or about February 15, 2024, Gregory Jeffreys allegedly violated special condition number 16 by entering into a financial contract with Storhaug in an effort to establish the Jeffreys South Sands Residential Community, without the advance approval of the supervising officer.

On December 5, 2024, this officer received notification from the Financial Litigation Unit (FLU), of the U.S. Attorney's Office, that a subpoena had been executed on South Sands LLC. According to the documentation received from FLU, after purchasing a parcel of vacant land in March 2023, Mr. Jeffreys began the process of having various surveys and evaluations conducted in order to obtain the necessary building permits.

According to a proposal dated February 15, 2024, Storhaug was hired by the offender for civil engineering and land use planning services related to Jeffreys South Sands Residential Community. In that documentation, Greg Jeffreys is listed as the client and his preauthorization is required for all special studies and services. It should be noted that the offender's signature is on all pages of that proposal, and there is no mention of Gail or Shannon Stiltner.

The U.S. Probation Office respectfully recommends the Court issue a summons requiring the offender to appear to answer to the allegation(s) contained in this petition.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: December 13, 2024

s/Amber M.K. Andrade

Amber M. K. Andrade
U.S. Probation Officer

THE COURT ORDERS

- ☐ No Action
☐ The Issuance of a Warrant
☒ The Issuance of a Summons
☐ The incorporation of the violation(s) contained in this petition with the other violations pending before the Court.
☐ Defendant to appear before the Judge assigned to the case.
☒ Defendant to appear before the Magistrate Judge.

M. K. Brinke



Signature of Judicial Officer

12/15/2024

Date